

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION

GIBSON BRANDS, INC. : DOCKET NO. 4:19CV358  
:   
VS. : SHERMAN, TEXAS  
: OCTOBER 28, 2019  
ARMADILLO DISTRIBUTION : 11:00 A.M.  
ENTERPRISES, INC. :

TELEPHONE CONFERENCE  
BEFORE THE HONORABLE AMOS L. MAZZANT,  
UNITED STATES DISTRICT JUDGE

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PROCEEDINGS REPORTED BY MECHANICAL STENOGRAPHY, TRANSCRIPT  
PRODUCED BY COMPUTER-AIDED TRANSCRIPTION.

1 THE COURT: Okay. Good morning. This is Judge  
2 Mazzant and we're here in Case 4:19CV358, Gibson Brands, Inc.  
3 versus Armadillo Distribution Enterprises, Inc.

4 I think you've already made your appearances for the  
5 record. We are in the courtroom with my court reporter, so  
6 please, every time you speak, identify yourself.

7 And I believe it was the Defendant who initiated this  
8 call, so if that's who initiated the call, go ahead and tell  
9 me what the issue is.

10 MS. NAYDONOV: Good afternoon, Your Honor. This is  
11 Anna Naydonov, counsel for Armadillo. Yes, indeed, we asked  
12 for a call to get the Court's guidance on getting highly  
13 relevant evidence of third party uses into evidence.

14 Just to give the Court a brief background, this is a  
15 trademark infringement and counterfeiting where Gibson  
16 accuses Armadillo of copying seven of its guitar shapes and  
17 marks. Armadillo counterclaimed on the grounds that these  
18 guitar shapes are generic and commonplace and have been in  
19 widespread third party use for many decades. Indeed,  
20 Armadillo, through its predecessor, has used some of the  
21 shapes since 1976.

22 So to prove its counterclaim that the shapes --  
23 Gibson's asserted shapes are generic and to defend against  
24 the allegations of likelihood of confusion, we need to get  
25 into evidence at trial the fact that numerous third parties

1 have used these same shapes for many years. And we're  
2 talking about some pretty basic, uncontroverted facts,  
3 whether Company A has used this shape, how long, their basic  
4 sales and advertising information.

5 So I -- we wanted to get the Court's guidance as to --  
6 on how to get this evidence in. We have proposed over two  
7 months ago, and we still continue to believe that our  
8 proposal is the most efficient and effective way to deal  
9 with getting this evidence in, is to have -- instead of  
10 having numerous third party depositions -- and, Your Honor,  
11 there have been more than 50, around 52 companies in the  
12 U.S. alone that have used the same or identical shapes over  
13 many decades. We thought and we proposed to Gibson that to  
14 avoid these depositions, we have a stipulation that outlines  
15 the following procedure:

16 We identify a third party and both Gibson and Armadillo  
17 work with that third party, interview it, and arrive at a  
18 short, succinct declaration setting forth the facts about  
19 this third party's use of same or similar guitar shapes.  
20 Then if either party doesn't agree or we cannot agree on a  
21 declaration, we reserve the right to take a deposition, a  
22 limited deposition of that third party.

23 So we proposed that in August and we let Gibson know  
24 that it's going to be way over 20 third parties that we'll  
25 need to get evidence from.

1 Gibson, unfortunately, rejected our proposal and told  
2 us back on August 26th that they intend to depose every  
3 single third party. And I quote: It intends to depose any  
4 third party that Armadillo intends to use to invalidate my  
5 client's IP rights. And then Gibson issued -- proceeded to  
6 issue eight third party subpoenas of its own to third  
7 parties. So we had to issue our own counter subpoenas and,  
8 you know, issue our own subpoenas to other multiple third  
9 parties who have used this same shape.

10 And we all along have been working and trying to get  
11 Gibson to reconsider our proposal, because we think that  
12 still the most efficient way to get the third party evidence  
13 in is not by deposition but by declarations that are  
14 mutually negotiated.

15 And we've used this declaration procedure as plaintiff  
16 and defendant in multiple cases, and we find that the judges  
17 and the juries find it helpful just to read those  
18 declarations into the evidence. And -- and, of course,  
19 they're mutually negotiated and either party reserves the  
20 right to take the deposition.

21 And just to get back a little bit to my initial point  
22 on why this evidence of widespread third party use is so  
23 important, it's considered to be very important to  
24 establishing whether the shape is generic, and there are  
25 many cases in this district and other districts that have

1 held that. For example, in Berg against Symons, 393 F.Supp.  
2 2d 525, Southern District of Texas, held that a trade dress  
3 design may be generic if it is so common in the industry  
4 that it is incapable of serving to identify any one  
5 particular source.

6 The Trademark Trial and Appeal Board in Fender Musical  
7 Instruments, 94 USPQ2d 1549 found certain Fender asserted  
8 guitar shapes generic, largely based on third party use.  
9 The burden is on Armadillo to provide evidence that's  
10 admissible at trial of these third party uses.

11 The evidence is also relevant to finding no likelihood  
12 of confusion. For example, the Fifth Circuit in Amstar held  
13 that the greater the number of identical or more or less  
14 similar trademarks already in use of different kinds of  
15 goods, the less the likelihood of confusion.

16 So the evidence is highly relevant to our claims and  
17 defenses. And, moreover, it's also proportionate to the  
18 needs of the cases because Gibson alleged counterfeiting  
19 against our client, and as Your Honor knows, the statutory  
20 damages are up to \$2 million per mark and here we have five  
21 counterfeiting claims, so the stakes are high.

22 And, you know, there are many, many third parties who  
23 have used these shapes. Some of them are still using the  
24 same shapes. Some of them are no longer using the shapes.  
25 But that evidence is still relevant to show that the shapes

1 have been generic and commonplace in the minds of consumers  
2 for many decades.

3 Now, in terms of -- I would like to address a couple of  
4 points in Gibson's motion to quash that they filed on  
5 Friday. We still are hoping that the Court provides  
6 guidance and adopts this declaration procedure so we can --  
7 we can avoid having numerous third party depositions.

8 That said, you know, there are several points and  
9 procedural points that Gibson pointed -- or outlined in its  
10 motion to quash that I wanted to address. Gibson stated  
11 that, you know, the depositions are scheduled on certain  
12 dates around the country that involve a lot of travel and  
13 may not be convenient for everybody.

14 First of all, we have told them for months now that  
15 we're okay with telephonic depositions, with Skype  
16 depositions. We've been working with them and with every  
17 third party that asked us for an extension or to  
18 reschedule -- or to reschedule the deposition. We were  
19 agreeable to hold them on days that worked for everyone.

20 Given the number of the third parties, of course, we  
21 cannot guarantee that we can have all of the West Coast  
22 depositions, for example, at the same time or all of the  
23 Florida ones on the same week. It largely depends on third  
24 party convenience. But we're willing to work on dates that  
25 work for everyone.

1           Also regarding some of the -- Gibson said in their  
2 motion that we issued subpoenas where we request third  
3 parties to respond to document requests within less than 30  
4 days, and that it purportedly violates Rule 34 of the  
5 Federal Rules.

6           Rule 34, a 30-day window for responding to document  
7 requests does not apply to non-parties. The law is pretty  
8 clear on that, both in this district and other districts,  
9 and we're happy to submit cases for the Court's  
10 consideration.

11           Courts have held that in Rule 45 subpoenas the standard  
12 is time has to be reasonable. There has to be a reasonable  
13 timeframe for the third party to respond to a Rule 45  
14 subpoena. And here we have provided I think at the minimum  
15 19 or 20 days to respond to the document requests and  
16 depositions are more than 30 days out. Whenever a third  
17 party asked us for an extension, we granted that request.  
18 And we're willing to continue to work with Gibson and the  
19 third party to grant any such extension request.

20           Moreover, there's not a single third party that has  
21 come to this court and tried to quash our subpoena or  
22 complained that it's overly burdensome, so there's no --  
23 really, it's a premature issue. There's no ongoing dispute  
24 on that front.

25           To the extent Gibson suggested in its motion to quash

1 that we did not provide notice to them before serving the  
2 third party, that's incorrect. We have provided notice to  
3 Gibson for every single third party subpoena before serving  
4 the subpoena on that third party, so we have complied with  
5 the Rule 45 requirements.

6 In terms of next step, Armadillo continues to believe  
7 that the declaration process that we outlined for Your Honor  
8 and the stipulation that we sent to Gibson back in August is  
9 still the most effective and efficient way to get this  
10 widespread third party evidence, and we are happy to  
11 consider Gibson's proposed revisions to the stipulation and  
12 to work with them.

13 To the extent Your Honor finds that getting the  
14 evidence in through declarations is not the way to go,  
15 Gibson's proposed limitation to have only 10 third party  
16 depositions is not workable for us just because we have the  
17 burden to show third party usage, and there are many more  
18 than 10 third parties out there. So we need a procedure in  
19 place and then we need to increase the number of depositions  
20 to allow us to depose all those third parties.

21 We're happy, of course, to limit those depositions to  
22 one or maximum two hours. I think we'll be fine with just  
23 one hour depositions, because we're trying to get just basic  
24 facts, whether they've used the guitar, how long, what are  
25 their sales and advertising.



1           We are willing to continue to work with Gibson and the  
2 third parties to grant extensions and schedule the  
3 depositions on dates that work for everyone, which is also  
4 the reason why we went ahead and served most of our  
5 subpoenas early on, to allow or build in this time to work  
6 through the process, because we don't have a lot of time in  
7 discovery.

8           Our expert reports on the genericness issue are due  
9 beginning of February, February 12th. And there are  
10 holidays coming up in November and December, and we wanted  
11 to allow enough time to collect this relevant third party  
12 evidence.

13           So with that, if Your Honor has any questions -- and  
14 we're happy to submit a written response to Gibson's motion  
15 that was filed on Friday to provide any case law or  
16 additional briefing that Your Honor may require.

17           THE COURT: Okay. Let me go ahead and hear a  
18 response from Gibson.

19           MR. SCHUETTINGER: Your Honor, this is Kurt  
20 Schuettinger on behalf of Gibson.

21           We filed on Friday our motion to quash. The issue is  
22 pretty basic here. Federal Rule 30(b)(2)(A) limits the  
23 number of depositions in a case to ten, absent leave of  
24 Court or permission from the other side.

25           The Defendant has ignored that rule and they issued

1 unilaterally 24 third party subpoenas for depositions and  
2 document requests. And then they informed us that they  
3 intend to issue 30 more in this case.

4 I litigated a case on behalf of Gibson that went all  
5 the way to trial in California a little less than -- over a  
6 year ago. Total, the parties did not conduct 10 third party  
7 depositions.

8 We have offered -- despite the Defendant not getting  
9 leave of court or permission from Gibson, we had offered  
10 them to do 10 third party depositions. They've refused the  
11 offer.

12 We've offered to work with them on stipulations on a  
13 case by case basis, but we have not agreed to their  
14 stipulation for several reasons. One, that the stipulation,  
15 Gibson stipulates to unlimited number of third party deps.  
16 We stipulate that any sworn declaration is admissible for  
17 all purposes except for relevancy.

18 And, you know, some of these third parties that they're  
19 subpoenaing, I don't know what we're going to do with this  
20 evidence to the jury. I'll give the Court a couple of  
21 examples. Moonstone Guitar they have subpoenaed. I spoke  
22 with the owner of that company. He's retired. He's  
23 undergoing chemo, and he hasn't made the guitars in their  
24 subpoena, he said, since 1980 or 1981 and he's retired. I  
25 don't know what relevancy that evidence is going to be to

1 the jury.

2 They subpoenaed a company called Ibanez, and despite  
3 the fact that Armadillo is representing to the Court today  
4 that they're seeking basic information, the subpoena to  
5 Ibanez has 60 document requests.

6 We've provided them, the Defendant Armadillo, with our  
7 settlement with Ibanez in the '70s. So not only is this  
8 irrelevant, we have a settlement, but it's completely  
9 burdensome to have third parties respond to 60 document  
10 requests and appear for deposition.

11 We think our position here is reasonable. They can  
12 proceed with ten depositions and see what kind of evidence  
13 they think they're getting here. You know, I don't think we  
14 need to burden third parties when Gibson has given you a  
15 settlement agreement from the '70s, or in the case of  
16 Moonstone Guitar, the individual hasn't made the guitar  
17 since 1980 or 1981.

18 I think after ten, if they can proffer some type of  
19 reason to the Court why more is necessary, I think at that  
20 point we can revisit the issue. But I think right now all  
21 we're doing is burdening third parties with guitars that are  
22 not on their website.

23 I'll give the Court another example. B.C. Rich they've  
24 subpoenaed. If you go on their website, they don't even  
25 have guitars available for sale.

1           They subpoenaed John Hornby Skewes where we're supposed  
2 to appear in London the day after Thanksgiving for a  
3 deposition. I think that is 40 document requests. John  
4 Hornby Skewes was the case I referenced earlier that we  
5 litigated all the way to trial in California that resulted  
6 in a settlement agreement. Again, I don't know what  
7 evidence they intend to proffer based upon Gibson settling  
8 with them.

9           Two days before Thanksgiving we're supposed to appear  
10 for a deposition for a company called RBI, which is the  
11 distributor in the U.S. for John Hornby Skewes. Again, that  
12 use is governed by a settlement agreement Gibson has.

13           And just to give the Court an example, again, they had  
14 to get leave of court or permission from Gibson to issue  
15 more than ten subpoenas. They issued 24. In one week we're  
16 supposed to appear in New York on a Monday. Then we have to  
17 appear in Indiana on a Tuesday. Then we have to fly back to  
18 New York on a Wednesday. Then we have to fly to Tampa on a  
19 Thursday, and then we have to be in Texas on Friday for a  
20 deposition.

21           You know, this is not only burdensome to the third  
22 parties when they're having to respond to up to 40 or 60  
23 document requests, that schedule is just completely  
24 unworkable.

25           And currently pending in this case, fairly early on,

1 there's motions to dismiss filed by the Defendant, by  
2 Gibson. There's motions to strike.

3 And I would just note here as far as proportionality,  
4 they reference that there are seven trademarks and that they  
5 need this for their generic defense. They have only moved  
6 to cancel three of our trademarks based on genericness, so  
7 they want to do 50 some third party subpoenas based upon  
8 three trademarks.

9 And then if you also look into genericness, evidence of  
10 third party use is what the Court considers circumstantial  
11 evidence. The direct evidence of is a mark valid is a  
12 consumer survey. And if you look at circumstantial  
13 evidence, the Court and the jury can look at lots of things,  
14 including third party use. They can look at dictionary use,  
15 how the trademarks are referred to in third party  
16 publications.

17 Gibson's trademarks here, all but one I think are  
18 presumed valid and are incontestable. So as opposing  
19 counsel said, it's their burden, and this is just one  
20 element of one counterclaim that they're seeking to do all  
21 these third party depositions, and I just don't think it's  
22 proportionate to the needs of this case and it's an undue  
23 burden on these third parties.

24 I will say, they said that no one has complained. I  
25 spoke with Ibanez's attorney about the subpoena and he was

1 completely upset about, as I mentioned, the over 60 document  
2 requests that he got from them about the deposition.

3 And just to further reiterate, they've subpoenaed these  
4 third parties to not only appear two days before  
5 Thanksgiving, the day after Thanksgiving, and they  
6 subpoenaed another company, Daisy Rock Guitars, to appear on  
7 Veteran's Day for a deposition. They attached two guitars  
8 to their subpoena. One of them, if you look at Daisy Rock's  
9 website, is not even available for sale.

10 So I think what they need to do -- we've provided them  
11 with 15,000 documents so far. We're going to provide them  
12 more that relate to settlement enforcement by Gibson from  
13 third parties. I think they should review those documents  
14 we provided them, look at the guitars attached to the  
15 subpoena and verify if they're even for sale in the U.S. on  
16 these companies' websites.

17 Let's do ten depositions and see what kind of evidence  
18 they get from them, and then if we need to, we can come back  
19 to the Court and revisit the issue. That's our position  
20 right now, and I think it's more than reasonable.

21 THE COURT: Okay. If I could have Defendant explain  
22 to me -- listening to what defense wanted was this stipulation  
23 or declaration process, but yet, you went ahead and subpoenaed  
24 all these other third parties. I'm a little confused.

25 MS. NAYDONOV: So, Your Honor, just to clarify, we

1 provided to Gibson the proposed stipulation that would allow  
2 for submission of this evidence by declaration and would still  
3 allow Gibson to object on relevance grounds, so say that the  
4 declaration was inadmissible at trial and reserve the right for  
5 either party to take a deposition. We proposed that and we  
6 welcomed any revision or tweaks to that back in August,  
7 August 26th.

8 That same day, Gibson -- and we told them, there are  
9 going to be over 20 third parties that we'll need evidence  
10 from, and it's not a surprise to Gibson, having litigated  
11 other cases, that there are scores of third parties that  
12 have used their asserted mark.

13 So we proposed the stipulation back on August 26th.  
14 That same day Gibson wrote back to us and said, no, we don't  
15 want to do declarations and we, I quote, intend to depose  
16 any third parties that you intend to rely on to try to  
17 invalidate Gibson's rights.

18 So they told us, no, we want to go ahead and do  
19 depositions of all these third parties. So having received  
20 that, they knew there would be more than ten. Days after  
21 that, Gibson, not Armadillo, goes ahead and issues eight  
22 third party subpoenas, including Moonstone. Counsel just  
23 mentioned Moonstone. Gibson subpoenaed Moonstone. We did  
24 not.

25 So we issued, in response to that, counter subpoenas to

1 those same third parties and then we proceeded to continue  
2 to issue our own subpoenas, because Gibson knew that there  
3 were going to be way over ten of these third parties who  
4 have evidence. And back in August they didn't want to do  
5 the declaration procedure, so the only choice we had was to  
6 then do the depositions, and they said they wanted to do  
7 depositions.

8 It was not until October 16th that Gibson all the  
9 sudden said, oh, there are only ten third party depositions  
10 that you can do. We will not agree either to the  
11 declaration. We told you back in August we're not going to  
12 do that. But we're not going to let you take more than ten  
13 depositions either, which puts us in kind of an untenable  
14 position where we have to limit our third party evidence to  
15 just ten third parties and then come back to the Court and  
16 ask for additional leave.

17 We are not allowed to -- Gibson wouldn't agree to  
18 declarations either, so it puts us in kind of this limbo  
19 situation.

20 And I wanted to, if Your Honor allows, I would like to  
21 address a couple of points they brought up on these specific  
22 subpoenas, so --

23 THE COURT: Well, before you go to that, I guess I'm  
24 trying to understand -- I mean, the rules only allow you to  
25 take ten depositions, correct, without agreement by the parties



1 or approval of the Court? But yet, you subpoenaed more than  
2 ten.

3 MS. NAYDONOV: But, Your Honor, I guess we presumed  
4 we had agreement that we would do more than ten depositions  
5 because back in August we informed them that there were more  
6 than ten third parties. We said we have to depose them or get  
7 declarations. Would you agree to some sort of stip on a  
8 declaration? They said no, we want to do depositions.

9 Then we proceeded to -- both parties proceeded to issue  
10 multiple third party subpoenas, and we did not know until  
11 October 16th that they now are going to take the position  
12 that there's -- you know, that we're only allowed to take 10  
13 third party depositions.

14 As soon as we learned that that's their position, which  
15 was October 16th -- and it was a surprise to us that they're  
16 taking this stance. As long as we understood that this is  
17 now the way they're going to go, which contradicts their  
18 prior statement that they were going to depose everybody,  
19 and they knew there were more than ten. As soon as we knew  
20 that now this is their position, we immediately asked --  
21 conferred with Gibson and asked for this phone call to  
22 clarify how we go from here.

23 THE COURT: Okay. Let me just go back to Gibson and  
24 make sure I understand. So they offered the stipulation or the  
25 declaration process, which you, I guess, in some form rejected

1 doing it in total. You would do it on a case by case basis,  
2 based on your motion.

3 I guess I'm trying to understand. In your mind, was  
4 there an agreement allowing to proceed with more than ten of  
5 these, based on the fact -- I'm just trying to understand  
6 what the nature, if there was an agreement.

7 MR. SCHUETTINGER: Right. There was no agreement.  
8 In August, several months ago, the thought of a stipulation --  
9 I was just addressing the stipulation that Gibson stipulate to  
10 evidence that it hadn't seen and that we stipulate that there's  
11 unlimited depositions. And I informed Armadillo -- I think my  
12 email said for various reasons, you know, my client's not  
13 willing to agree to the stipulation at this point.

14 It has been our position since then that we're  
15 certainly reasonable, and on a case by case basis we'll look  
16 at whatever evidence there is and work with the other side  
17 on a stip, which we're trying to do with Moonstone Guitar  
18 right now. I sent them a proposed declaration.

19 We never agreed to, you know, this unlimited number of  
20 subpoenas, and the goal posts have been moved by Armadillo  
21 throughout. At first it was just we believe there's  
22 numerous, and then they said we believe there's 34. Now  
23 they're saying there's 52 third party deps. And the  
24 subpoenas they sent out were just rapid. We were getting  
25 two in a day, three in a day. I think within a week they

1 had all 24 of them issued.

2 So we never agreed to them, and what we brought to  
3 their attention was you have now issued over 24 third party  
4 subpoenas. The rule limits you to ten total. We'll agree  
5 to ten. And that's when they brought this to the Court's  
6 attention. We never got our --

7 THE COURT: I guess in your process when you said  
8 basically you wouldn't agree to just kind of an agreement of  
9 stipulations and you would have to take the depositions, you  
10 knew that they wanted more than ten. I guess at any time  
11 during these discussions, whether by email or in person or via  
12 telephone, did you object to, hey, you can only take ten of  
13 these?

14 MR. SCHUETTINGER: Yes, in the correspondence. Once  
15 they started issuing the subpoenas, giving us notice, because  
16 at the beginning of the case we were just talking  
17 hypothetically that they had some evidence they wanted to get.  
18 I don't know who they intend to subpoena. I don't know who  
19 we're talking about, right? What third parties?

20 Then all of a sudden, within a week, they send us  
21 notice of 24 third parties that they're doing the deps, and  
22 that's when we brought to their attention quickly, you've  
23 gone over the amount here.

24 I mean, I guess to answer your question, I can't really  
25 object to them doing something before they do it. I didn't

1 know who they intended to issue the subpoenas to.

2 As I told you before, we litigated a similar case all  
3 the way to trial. The parties, total, didn't do ten third  
4 party depositions. There were some requests for production of  
5 documents, which I think is an easy way to go here where you  
6 ask the parties, hey, can you give me sales for the last  
7 five years or ten years for this guitar.

8 I think what they're going to find is a lot of these  
9 companies don't sell the image that they're attaching. What  
10 they're also doing, which we didn't know at the time, is the  
11 subpoenas -- as I referenced before, they're only seeking to  
12 cancel three trademarks here. But the subpoenas are  
13 including other trademarks Gibson has that they don't have a  
14 counterclaim to cancel. So they're kind of, you know,  
15 moving the goal posts throughout this.

16 I certainly didn't know they were going to issue 60  
17 document requests to third parties or do it where we have  
18 five depositions in a week in four different states, where  
19 we're doing it over -- you know, the day after Thanksgiving  
20 for a company that Gibson has settled with.

21 THE COURT: Okay. Go ahead if --

22 MS. NAYDONOV: Your Honor --

23 THE COURT: If you want to respond, ma'am.

24 MS. NAYDONOV: Uh-huh. Thank you, Your Honor.

25 First of all, I would like to quote from our

1 August 26th email, which is when we proposed the  
2 stipulation. We told Gibson at the time that the proposed  
3 stipulation is an attempt to save costs and fees and burden  
4 on the third parties associated with potentially over 20  
5 third party depositions. Over 20, back in August.

6 They wrote back and said we intend to depose any third  
7 parties that Armadillo intends to use to invalidate my  
8 client's IP rights.

9 Then they proceed to issue eight third party subpoenas  
10 on their own, which prompted our counter subpoenas and our  
11 further subpoenas to third parties.

12 So they -- they knew all along that there are way over  
13 ten, that we intend to get evidence and we need evidence for  
14 our burden for way over ten. They told us they intend to  
15 depose anyone. And it was not until October 16th where they  
16 all the sudden made an about-face and said you should only  
17 be allowed to do ten depositions.

18 Now, yes, we currently are moving to cancel only three  
19 guitar shapes on genericness grounds, but we're asking for  
20 evidence about third party use of other marks because that's  
21 highly relevant to finding no likelihood of confusion.

22 The Fifth Circuit held in Amstar against Domino's  
23 Pizza, 615 F.2d. 255, the greater the number of identical or  
24 more or less similar trademarks already in use on different  
25 kinds of goods, the less the likelihood of confusion.

1           So we need to ask those third parties about their uses  
2 of shapes where we're accused of infringement, even where  
3 there is no genericness counterclaim. So the fact of the  
4 matter is that there are numerous -- several dozen third  
5 parties that have used the same shapes over the past several  
6 decades. It doesn't matter that some of them may no longer  
7 be in use.

8           Armadillo started using those -- the accused shape back  
9 in 1976, so Gibson has to prove that their marks had  
10 acquired secondary meaning back in the '70s when we started  
11 using those marks. For genericness, it's relevant that some  
12 parties have used these shapes in the '70s and in the '80s  
13 or in the '90s, even though they don't use them anymore.

14           The fact that Gibson settled with some parties like  
15 Ibanez or John Hornby Skewes does not mean that a third  
16 party subpoena should no longer be issued or is irrelevant.  
17 For example, until we issued a subpoena to Ibanez and until  
18 we spoke with Ibanez and that subpoena was issued, Gibson  
19 didn't even produce the settlement agreement to us. It was  
20 our subpoena that prompted the production of that settlement  
21 agreement.

22           Moreover, it's -- the fact that Ibanez settled with  
23 Gibson or that John Hornby Skewes settled with Gibson  
24 doesn't take away from the fact that those companies had  
25 used these shapes, these commonplace shapes before. So we

1 need to get basic facts. I used this shape for -- in the  
2 case of Ibanez, after settlement, they have continued to  
3 make the same shapes with some tweaks, as far as we  
4 understand, and in the minds of consumers, consumers are  
5 still exposed to continued use of virtually the same shapes.

6 We just need to get this evidence in, that the shapes  
7 are -- you know, have been used for this period of time and  
8 here are the sales and here are the advertising.

9 Now, with regard to -- so we don't understand  
10 fundamentally why Gibson would not agree to a procedure to  
11 get this evidence in. If they think -- they're still free  
12 to file a motion in limine before trial to try to get to  
13 exclude some of these as irrelevant, but we need a procedure  
14 in place that lets us get into evidence all these third  
15 parties that have used these shapes.

16 We think the declaration process is cheaper. It's more  
17 efficient. It works better. They keep referencing this  
18 case that almost went to trial. I cannot speak for that  
19 case. I can speak for multiple cases I have tried as  
20 plaintiff and defendant. We recently had one before Judge  
21 Ellis where we were plaintiff there. We agreed to a similar  
22 procedure where the defendant went and got declarations  
23 from -- I don't remember -- around 20 third parties. I've  
24 used them as defendant, getting the declarations and reading  
25 them into the record for the jury. We think that's cheaper,

1 more efficient.

2 If not, the only other way that we're aware of under  
3 the Federal Rules is deposition testimony from these third  
4 parties.

5 Now, regarding the specific ones that Gibson mentioned,  
6 Daisy Rock that was inadvertently scheduled for Veteran's  
7 Day, we told Gibson two weeks ago, sorry, we inadvertently  
8 scheduled it. We didn't remember it was Veteran's Day.  
9 We're working with Daisy Rock's counsel to reschedule that  
10 deposition, so no issue there.

11 John Hornby Skewes, which is based in London, Gibson  
12 knows and we're working with their counsel on a Skype  
13 deposition at a date mutually convenient for everyone. So  
14 we're not making anyone travel anywhere the day after  
15 Thanksgiving.

16 Moonstone, that was Gibson's subpoena, not ours, and we  
17 issued a counter subpoena. After that, Gibson said actually  
18 we want to work on a declaration from this person because  
19 the owner has cancer, and we said, of course. That's what  
20 we were proposing all along is to have this procedure where  
21 the default is you try to negotiate a declaration. If you  
22 are not able to negotiate a declaration, the parties reserve  
23 the right to take a one or two hour deposition. It can be  
24 telephonic, can be Skype. We'll pick a date that works for  
25 everyone.



1 But we cannot be in the position where we are just  
2 limited to ten and then we have to burden the Court and ask  
3 for leave again or we have to justify to Gibson why we think  
4 every single other third party beyond ten is relevant.

5 To prove our case, we are entitled to get evidence of  
6 these third party uses, and there are more than 50 of them  
7 out there, and to present it. Then if Gibson wants to argue  
8 that they're irrelevant or inadmissible at trial, you know,  
9 they can do that. But we have to have a process in place  
10 that lets us -- that doesn't limit us to ten and lets us  
11 educate the Court and the jury about all these widespread  
12 third party uses.

13 Now, the document requests, counsel mentioned that  
14 Ibanez's subpoena had more than 60 document requests. Well,  
15 there were multiple shapes that Ibanez has used that are the  
16 same or very close to what Armadillo is accused of doing  
17 here. Our document requests really fall into several  
18 categories. It's their use, sales, advertising, any  
19 agreements or objections from Gibson. But because they used  
20 so many shapes, we just broke down the requests for the  
21 third party's convenience, give us sales of the Flying V  
22 shape, give us sales of the Explorer shape. Give us  
23 advertising. We can condense them into 13 requests total.  
24 We just broke them down into numerous requests to make it  
25 more convenient for the third party.

1           We've been working with Ibanez's counsel, as well as  
2           with other counsel. We are agreeing to extensions for them  
3           to respond. We can schedule a deposition on a day that  
4           works for everyone.

5           But we still think that this declaration procedure is  
6           better, because it's just cheaper and more efficient for  
7           everyone. And, by the way, still allows Gibson to object to  
8           the declarations on relevance grounds at trial, on  
9           materiality, you know, on prejudice grounds, Rule 403  
10          grounds.

11          The only thing that we're asking Gibson to agree is  
12          that they do not object to the admissibility of the  
13          declaration on authenticity and hearsay grounds, and then  
14          they can argue it's irrelevant or should be excluded on  
15          other grounds.

16          Then in terms of scheduling the subpoenas where counsel  
17          said they need to fly back and forth, as I said, we already  
18          agreed with Gibson, these can be telephonic.

19          Also, if they want to move any of those depositions,  
20          we're happy to move them to a different week or date, so  
21          long as it works for the third party, of course.

22          And then, as I said, the fact that John Hornby Skewes  
23          or Ibanez have reached settlements doesn't take away from  
24          the fact that the shapes had been used for years before  
25          that, and in the case of Ibanez, with small tweaks, have

1 continued to be used after settlement.

2 Also, the fact that again some -- they're arguing that  
3 some do not have the guitars displayed on their website  
4 right now. Well, that doesn't mean that the shapes had not  
5 been used before, so --

6 THE COURT: Okay. Let me go ahead and interject,  
7 because I've heard enough on this issue.

8 One thing I will say is that I put a high premium on  
9 cooperation, and it's clear neither side is cooperating on  
10 the operation of this discovery in terms of how to approach  
11 it.

12 So let me just start off. I have Gibson's motion to  
13 quash and protective order. I'm going to grant that. Now,  
14 just because I'm granting that does not mean that I believe  
15 that things couldn't go forward.

16 I will go ahead and grant the defense 20 third party  
17 depositions. You can go ahead and proceed with those.

18 But I want to encourage y'all to cooperate with each  
19 other. So what I mean by that is you need to go ahead and  
20 try to agree to a procedure, whether you use the declaration  
21 procedure -- I'm not going to impose that, but it seems like  
22 a reasonable solution to at least some of those. Then if  
23 not, then they can proceed with the depositions if you can't  
24 agree. But let's try to have a good faith negotiation.

25 Then let's plan those third party depositions, if you

1 have to proceed to those, together, not just automatically  
2 notice them. So let's see if there's some air of  
3 cooperation.

4 I would say from the defense standpoint, I know you  
5 said you need -- I'll give you 20 right now. If you -- when  
6 you're getting close to that and you still need more, then  
7 if the parties cannot agree, come back to the Court and ask  
8 for a telephone conference and we'll discuss it and I'm sure  
9 I'll give you some more.

10 But, again, I encourage the parties to cooperate with  
11 each other to kind of resolve this.

12 Okay. Any other guidance you need from me from the  
13 defense?

14 MS. NAYDONOV: No, Your Honor. Thank you.

15 THE COURT: And I'm just -- I'm granting the motion  
16 to quash because I understand maybe you weren't getting  
17 cooperation, but noticing all those subpoenas was not  
18 appropriate without some cooperation from the other side.

19 And if they're not cooperating, you know, I would say  
20 if you need Court guidance, because -- and I'm telling  
21 Gibson, you need to cooperate, because if you don't, I'll  
22 let them go ahead and just notice them all. But let's go  
23 back to square one, see if you can cooperate with each other  
24 and see if that solves the problem.

25 MS. NAYDONOV: Your Honor --

1 THE COURT: Anything else for Gibson I can do today?

2 MR. SCHUETTINGER: I just have a procedural question.

3 So you're going to grant our motion to quash. So then do they

4 need to reissue the 20 subpoenas they want to proceed with?

5 MS. NAYDONOV: I had the same question, Your Honor.

6 I was hoping that we could pick the 20, because we've already

7 served a lot of them and are in the process of working with

8 those third parties on getting the responses, so we're hoping

9 we can --

10 THE COURT: Let me be clear. I'm quashing them as to

11 the time they're set for. So I don't have a problem with

12 you -- if you first can't agree to some other method, whether

13 using the declaration procedure for the 20, but then having 20

14 to go forward with, using the 20 of the group you've already

15 issued, I don't have a problem with that, of working with the

16 other side and the third party to set that time up.

17 MS. NAYDONOV: Okay. Thank you.

18 THE COURT: Okay. Anything else I can do for Gibson

19 today?

20 MR. SCHUETTINGER: No, Your Honor, unless local

21 counsel has something they want to add.

22 MR. HOWEN: No, that's okay. Your Honor, thank you

23 for your time today.

24 THE COURT: Okay. Y'all have a great day.

25 Thank you.

MS. NAYDONOV: Thank you, Your Honor.

I certify that the foregoing is a correct transcript from  
the record of proceedings in the above-entitled matter.

\_\_\_\_\_  
Jan Mason

\_\_\_\_\_  
Date